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RUCPDO/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RHEBAAA/DEPT OF ENERGY WASHDC
RUEHC/DEPT OF LABOR WASHDC
RUEHRC/DEPT OF AGRICULTURE WASHDC
RUEAIIA/CIA WASHDC
RUEKDIA/DIA WASHDC
RHMFISS/HQ USAFRICOM STUTTGART GE
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK

UNCLAS SECTION 01 OF 03 ABUJA 000611

C O R R E C T E D C O P Y - PARA MARKING AND NUMBERING

SENSITIVE
SIPDIS

DEPARTMENT PASS TO USTR-AGAMA
DEPARTMENT PASS TO USAID
BAGHDAD FOR DMCCULLOUGH
DOE FOR GPERSON, CHAYLOCK
LABOR FOR SHALEY
USDA/FAS/OTP FOR MCKENZIE
USAID/AFR FOR ATWOOD

E.O. 12958: N/A

TAGS: [PGOV](#) [ECON](#) [ELAB](#) [EPET](#) [EFIN](#) [EAGR](#) [KDEM](#) [NI](#)

SUBJECT: NIGERIA: BI-WEEKLY POL/ECON UPDATES FOR March 15-31, 2009

ABUJA 00000611 001.2 OF 003

¶1. (U) The following is a joint Embassy Abuja, ConGen Lagos compilation of March 15-31 political/economic highlights, which did not feature in our other reporting, covering:

--Economics
--Politics
--2011 Elections
--Labor

--Education
--Environment and Health
--Aviation
--Elections
--Corruption and Crime
--Oil, Gas, and Power
--Delta Incidents

Economics

¶2. (U) CBN OUTLINES CONTINGENCY PLAN TO TACKLE PRESSURE ON BANKING SYSTEM: On March 30, the Central Bank of Nigeria (CBN) outlined a plan to ensure that Nigerian banks do not fail. The CBN will tackle this issue through closer oversight of the banks. As part of the CBN efforts to strengthen Nigerian banks, an Asset Management Company of Nigeria (AMCON) was established to manage banks' bad debt. Nine out of twenty four banks have indicated interest with the asset management company.

¶3. (U) ECON OUTREACH: On March 24th, 2009 ConOff delivered a presentation on the principles of the U.S. economic system to mid-level GON officials in Lokoja, Kogi State. ConOff volunteered to support Econ's ongoing collaboration with a training program supported by ECOLAB CONSULTS and Nigeria's Millennium Development Goals Foundation. The training program's objective is to prepare

the next generation of civil servants in fundamental principles of political economics and public finance. Following the presentation, the Public Affairs Information Resources Center (IRC) Director provided a tutorial on resources offered by the U.S. Embassy. Nearly 40 mid-level managers and directors from several Federal ministries attended.

Politics

¶4. (U) UNIVERSITY PROTESTS: Local papers reported that on March 23 police clashed with students from the University of Ibadan after the students barricaded the entrances to the school in protest over a lack of electrical power and water in dormitories. No major injuries were reported. The University's Deputy Vice Chancellor for Administration was quoted in the papers blaming the lack of power and water on the "global financial meltdown." The Vice Chancellor for Academics told Lagos Econoff during a November 2008 visit that the school runs its back up generators full time to power the campus and teaching hospital since grid power is unreliable. In a conversation on April 1, the same Vice Chancellor admitted that the real reason power has been intermittent is the back up generators are 30 years old and need to be replaced. He said the University will divert funds from other projects to buy two new generators.

2011 Elections

¶5. (U) Kwara State Governor Bukola Saraki told 'This Day' newspaper on April 8 that the PDP governors stand behind President Yar'Adua's bid for a second term. He said the governors' support derives from the fact that the President has demonstrated "vision, sincerity and determination to put the country in the right direction." Saraki denied that he himself had plans to run for the presidency in 2011.

ABUJA 00000611 002.2 OF 003

Labor

¶6. (U) GON ESTABLISHED LABOR COMMITTEE: Vanguard reported on March 26 that President Yar'Adua inaugurated the Standing Committee on Government-Labour Relations to "improve and sustain dialogue and enhancement of peaceful labour relations in the country." The establishment of the Committee follows growing labor union unrest over the last six months, culminating in several threats of strikes. The minister described the move as vital for industrial growth and development of the economy and said that "no economy can thrive without a conducive industrial relations climate." Members of the Committee are the Secretary to the Government of the Federation (Chairman), the Minister of Labor and Productivity, the Minister of Justice/Attorney-General, the Minister of Finance, the Minister of Education, the Minister of Niger-Delta Affairs, the Head of the Civil Service of the Federation, the Director-General of the Nigeria Employers Consultative Association (NECA), the Chairman of the National Salaries, Incomes and Wages Commission, the president of the Nigeria Labour Congress (NLC), and the president of the Trade Union Congress of Nigeria (TUC). See septel for the Minister of Labour's comments to the Ambassador on this subject.

Education

¶7. (U) ONE LAPTOP PER CHILD: Valerie Endozien, the head of Schlumberger Nigeria's community relations office demonstrated to the Lagos Consul General an example of the type of laptop Schlumberger plans to distribute to children in select public schools in Rivers and Akwa Ibom States starting August 2009. Schlumberger is planning to donate 6000 of the laptops in collaboration with the One Laptop Per Child program (www.laptop.org). Schlumberger has yet to finalize plans for distributing the laptops and several hurdles must be resolved before implementing the project including developing a computer training plan for teachers; determining program sustainability beyond the

initial distribution; installing wireless access points at the schools and; more fundamentally, finding a source of electrical power to recharge the laptops since most public schools and local homes are without electricity. The laptops are to be distributed to children between 11 and 16 years old and will remain with the children throughout their primary and secondary schooling. Endozien believes the design of the laptop, which is brightly colored and resembles a child's toy, will deter theft or expropriation by adults.

Environment and Health

¶18. (U) Outbreak of Meningitis hits Nigeria: The Kano State Ministry of Health reported on March 25 that 78 people died from meningitis in that state in since December. The Kano Commissioner of Health mentioned that 9 million naira (\$61,000) worth of drugs and vaccination materials will be sent to the affected areas. A statement by World Health Organization on March 30 reported that other states affected by the outbreak of meningitis were Bauchi, Gombe, Taraba, Yobe and Zamfara.

¶19. (SBU) Infection Rates and Fatalities from Infectious Diseases Rising: At a one-day sensitization workshop in Kaduna, the National Emergency Management Agency (NEMA) advised that the spread of cholera and measles in the country was having "devastating" consequences. NEMA urged action via public awareness campaigns and timely provision of drugs. According to NEMA, cholera, measles, lassa fever and other epidemics account for more deaths than those caused by natural disasters in Nigeria. NEMA stressed that the rate of infection and fatality from these diseases, especially in the northern part of the country, has assumed an alarming proportions. High illiteracy levels, poor personal and environmental hygiene,

ABUJA 00000611 003.2 OF 003

overcrowded conditions, and the absence of community-based early detection and surveillance systems are identified as the main culprits.

Corruption and Crime

¶10. (U) COURT INVALIDATES COMPUTER DOCUMENTS: According to new Nigerian media outlet, "Next" (www.234next.com), Justice Ramat Mohammed, of the Federal High Court, Ikoyi, Lagos, ruled on March 26 that a computer-generated document could not be used as evidence in the USD 1.6 million money laundering case involving the former aviation minister, Femi Fani-Kayode. The defense counsel objected to the evidence because it was "computer generated." While the judge agreed to the document's relevance, he asserted that there is no legislation under Nigeria's Evidence Act that addresses the admission of "computer generated" evidence and ruled it inadmissible. The case was adjourned until May 5.

Oil, Gas, and Power

¶11. (SBU) SHELL PRODUCTION FALLS AGAIN: A Shell spokesman confirmed on March 24 that production from its onshore joint venture had fallen to 300,000 barrels per day, down from an estimated capacity of nearly 1 million barrels per day. The spokesman attributed the fall in production to ongoing unrest in the Niger Delta. In February, a Shell spokesman was quoted in the Wall Street Journal saying the company was considering further staff cuts from its onshore joint venture unit due to falling production. The company cut 1200 staff members in 2008, but those reductions came mainly from routine retirements, normal attrition, and a hiring freeze.

¶12. (U) Russian company to build electricity projects in Akwa Ibom State: According to local papers the Russian Ambassador to Nigeria disclosed that a Russian company has expressed interest in the construction of several electricity projects in Akwa Ibom to utilize the abundant gas reserves in that state. The Russians were reportedly carrying out feasibility studies with the intent of using flared gas for domestic and export purposes. In addition, the Russians are considering providing boreholes, schools and hospitals.

¶13. (U) NNPC's Contributions to Federation Account Drop: On March 25, Group Managing Director of the Nigerian National Petroleum Corporation (NNPC) told the Senate Committee on Petroleum (Upstream Sector) that NNPC has deposited less revenue in the Federation Account. He reported that the reason was the fall in international crude oil prices. Note: The NNPC spokesman announced that six NNPC Group Executive Directors were sacked on April 7 as part of a move to major shake-up of the agency.

Delta Incidents; No AMCITS Involved

¶14. (U) On March 15, the media reported that three Filipinos and an Ukrainian aboard M/V Seal Tide, an oil field services boat, were kidnapped off Bakassi. They were released later on the same day.

¶15. (U) On March 16, Nigerian radio stations reported that militants allegedly from Ateke Tom's camp attacked a passenger boat carrying roughly 30 passengers. Passengers were robbed and five women were said to have been sexually assaulted before being released.

¶16. (U) The mother of a Commissioner in Rivers State was kidnapped on March 17 by unknown gunmen in Port Harcourt, according to Nigerian newspapers.

SANDERS